

**RESOLUTION
OF
EAST UNION HOSPITAL SERVICE
DISTRICT COMMISSION**

Resolution to Amend Hospital Operation Agreement by and between East Union Hospital Service District, ("District") and Union Parish Hospital, Inc. ("UGH"), dated November 22, 1983.

WHEREAS, pursuant to the authority granted in LSA-R.S. 46:1055(A)(9), the District entered into an agreement with UGH for the operation of the hospital owned by the District in Farmerville, Union Parish, Louisiana, which agreement was dated November 22, 1983, and was pursuant to a resolution of the District authorizing such action, which resolution was dated November 8, 1983; and,

WHEREAS, it was the intent of both entities that all aspects of the operation of the hospital would be transferred to UGH, but ownership of the property and equipment would remain that of the District; and,

WHEREAS, the bylaws of the District designate it as the "Governing Body" of the hospital and contain detailed provisions for the administration of the operations of the hospital, including, regulations of the Medical Staff, and related matters; and,

WHEREAS, it has come to the attention of the District that the Operation Agreement is silent on these points, when it was the intent of both entities that the Operation Agreement would transfer to UGH all aspects of the operations of the hospital including the regulation of the Medical Staff, its bylaws,

applications for membership, granting of clinical privileges, disciplinary action, etc.; and,

WHEREAS, the parties now desire to clarify this aspect of the Operation Agreement, in that UGH has been exercising these rights since the inception of the Operation Agreement in 1983, with the knowledge and consent of the District:

NOW, THEREFORE, BE IT RESOLVED by the District:

1. All aspects for the operation of the hospital facility known as "Union General Hospital" shall be exercised by Union General Hospital, a nonprofit corporation domiciled in Farmerville, Union Parish, Louisiana, which operations shall include, but not be limited to, all those as set forth in the Operation Agreement dated November 22, 1983, and shall include its rights to appoint an administrator, appoint a medical and dental staff; see that they are organized into a responsible administrative unit and adopt such bylaws, rules and regulations for government of their practice in the hospital as the Board of Trustees of UGH deem to be the greatest benefit to the care of patients in the hospital.

2. All provisions of the by laws of the District in any manner relating to operations of the hospital are hereby repealed, which repealed provisions include, but are not limited to, Article VI, entitled, "Administration"; Article VII, entitled, "Medical and Dental Staff".

3. UGH is now, and has been since November 12, 1983, the Governing Body of the Hospital and its bylaws, Medical Staff bylaws, rules and regulations are and shall remain the only rules

relating to the operation of the hospital, its employees and Medical Staff.

4. The President of the District is authorized, empowered and directed to enter into an "Amendment to Operation Agreement with UGH to properly carry out the terms and provisions of this resolution.

UGH.RES/PW98-05/D

**AMENDED AND RESTATED
COOPERATIVE ENDEAVOR AGREEMENT**

This Amended and Restated Cooperative Endeavor Agreement (this "Agreement") is entered as of the 8th day of September, 2010 (the "Effective Date"), by and between **EAST UNION PARISH HOSPITAL SERVICE DISTRICT** (hereinafter referred to as "District"), a Louisiana hospital service district created by operation of law and, in particular, La. R.S. 46:1051, et seq, and **UNION GENERAL HOSPITAL**, a nonprofit corporation organized pursuant to the laws of the State of Louisiana (hereinafter referred to as "UGH").

WITNESSETH:

WHEREAS, the District was created by Ordinance No. 242 of the Police Jury of the Parish of Union, State of Louisiana, dated June 8, 1971; and,

WHEREAS, on or about that same date, or shortly thereafter, bylaws were adopted for the District for operation of a hospital therein designated as "Union General Hospital"; and hereinafter defined as the "Facility"; and,

WHEREAS, sometime in 1983 the decision was made for the District to operate the Facility through another entity, and UGH was incorporated for that purpose on November 9, 1983; and,

WHEREAS, on November 22, 1983, the District, therein designated as "Commission", entered into an agreement with UGH entitled, "Hospital Operation Agreement", which agreement provided for the initial operation of the Facility by UGH; and,

WHEREAS, District and UGH wish to clarify and update certain aspects of the Hospital Operation Agreement to accurately reflect the relationship of the parties; and

WHEREAS, this Agreement is consistent with the original intent of the parties, but addresses situations that have arisen subsequent to the execution of the Hospital Operation Agreement specifically with respect to operating costs and operation of medical office buildings identified on Exhibit A.

NOW THEREFORE, in consideration of the premises, the mutual covenants hereinafter contained, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1

PREMISES SUBJECT TO AGREEMENT

1.1 For and in consideration of the mutual covenants and agreements hereinafter set forth, UGH shall operate the District's hospital facility known as the "Union General Hospital", including all buildings, improvements, appurtenances and hospital furnishings, except POB #1 and POB #2, located on or in the property in the Town of Farmerville, Union Parish, Louisiana, (hereinafter collectively referred to as the "Facility"), more fully described in attached Exhibit "A".

ARTICLE 2

TERM

2.1 The "primary term" of this Agreement shall begin on the Effective Date and continue until March 31, 2019. Thereafter, the Agreement shall automatically renew for an additional ten (10) year term ("Renewal Term") on the same terms and conditions as the primary term unless either party provides 180 days advance written notice of intention not to renew.

2.2. Should the Facility be totally destroyed or damaged by fire or other casualty or "force majeure" damaging the premises to such an extent as to render them wholly unfit, then in that event, this Agreement may be cancelled at the option of either the District or UGH.

ARTICLE 3

STANDARDS OF OPERATION

3.1 UGH shall operate the Facility located on the property described in attached Exhibit "A", except for the POB No. 1 and POB No. 2, which are specifically excluded for the duration of this Agreement, or any Renewal Term, as a nonprofit corporation and in accordance with the terms of this Agreement.

3.2 UGH shall operate the Facility at all times as a prudent and efficient administrator in accordance with acceptable standards as established by the Louisiana Department of Health and Hospitals ("DHH") and the Centers for Medicare & Medicaid Services ("CMS").

3.3 UGH shall comply with all state, federal and local laws applicable to the operation of the Facility and with all rules and regulations thereunder and shall maintain all necessary licenses and permits required in connection with the operation of the Facility.

3.4 UGH shall furnish all employees, employee benefits, professional fees, supplies and materials, purchases, services and all other expenses necessary to properly operate the Facility as determined by the Board of Directors of UGH.

3.5 UGH shall select and appoint a competent administrator who shall be its representative in the management and operation of UGH, and shall have such duties as shall be prescribed by the Board of Directors of UGH.

3.6 The UGH administrator shall annually request from the District, during the first quarter of the calendar year, a portion of the tax revenue resulting from the mill tax on the property passed at the election on November 3, 1998, for the purpose of constructing, maintaining, improving, equipping and operating the Facility. Such request may include reimbursement for prior or anticipated expenses associated with repair or replacement, without limitation, of equipment and operational support. The UGH administrator may request additional funding from the District for Emergency Situations and shall have the right to request that the Board of Commissioners of the District call an emergency meeting. Subject to the terms and conditions contained herein, the release of funding to UGH shall required the consent of the District, which said consent will not be unreasonably withheld.

3.7 As used in this Article, an "emergency" means an unforeseen mischance bringing with it destruction or injury of life or property or the imminent threat of such destruction or injury or as the result of an order from any judicial body to take any immediate action which requires construction or repairs absent compliances with the formalities of this Article, where the mischance or court order will not admit of the delay incident to otherwise following the procedures set forth in this Article.

ARTICLE 4

PERSONNEL

4.1 Employee qualification shall be determined in accordance with industry standards established by the Board of UGH.

4.2 The selection, hiring and termination of all employees shall be within the sole

discretion of UGH.

4.3 UGH is an equal opportunity employer and does not discriminate in employment with regard to race, sex, color, national origin or physical disability.

ARTICLE 5

FINANCIAL REPORTS AND DOCUMENTS

5.1 Administrator of UGH shall provide to the District the information that is required by law to complete its annual audit as a political subdivision of the State of Louisiana.

5.2 The District shall, upon request, provide a statement to UGH reflecting the amount of funds held by the District.

ARTICLE 6

HOSPITAL REVENUES

During the term of this Agreement and any extension thereof, all provider agreements for participation in Medicare, Medicaid and other third party programs should be the property of UGH. All Hospital collections on all income and revenues of whatever nature derived from the operation of the Facility shall belong to UGH with the exception of unrequested District funds collected from the mill tax.

ARTICLE 7

INSURANCE

7.1 UGH shall acquire and maintain, at its expense, fire and extended coverage insurance covering the buildings and equipment and furnishings in an amount not less than their net book value and providing for the payment of the proceeds of such insurance to the District or UGH as their interest may appear. UGH shall acquire and maintain insurance coverage naming the District as an additional insured with respect to malpractice and general liability with limits not less than those amounts deemed customary and usual for an acute health care facility of similar size and service (except where lower limits will protect the parties against maximum liability authorized by statute, e.g., LSA-R.S. 40:1299.41 et seq.), subject to such deductible amounts as UGH may deem appropriate.

7.2 Copies of all policies of insurance, together with all endorsements, amendments and riders shall be delivered to the District upon request.

ARTICLE 8

PHYSICIAN OFFICE BUILDING

The Parties acknowledge that the physician office buildings identified on Exhibit A ("POB #1 and POB #2") are not part of the Facility operated by UGH. UGH may pay certain fees associated with the POBs, including but not limited to, utilities, insurance, maintenance, housekeeping, and supplies ("collectively referred to as POB Expenses") on behalf of the District. District shall promptly reimburse UGH for all POB Expenses incurred on behalf of District upon presentation by UGH of documentation of such expenses. Rent payments generated from all POB leases shall be paid to the District.

ARTICLE 9

INDEMNITY

The operation and use of the Facility shall be at the risk of UGH, and the District shall be in no manner liable to UGH. UGH shall indemnify the District from and against all damages or claims for damages to the public, patients, visitors and all other persons whomsoever, including UGH's own members and employees, arising out of the operation of the Facility or any other claims asserted against any of the Facility unless the death, injury, damage or loss was a result solely from the intentional or grossly negligent act of District, or District's agent or employees.

ARTICLE 10

ACCESS

Upon not less than 48 hours prior written notice to UGH, District and its agents and designees may enter upon and examine the Premises at reasonable times, as long as such examination shall not unreasonably interfere with the business operations of UGH on the Premises.

ARTICLE 11

MEDICAL STAFF

11.1 The Facility shall at all times be available to each and every reputable and qualified physician, surgeon, osteopath, medical practitioner and mid-level practitioner licensed to practice in the State of Louisiana, who meets all UGH credentialing requirements and regulations of the Facility, who desire to use the same for their patients and practice. Equal consideration of service shall be accorded to all such practitioners.

11.2 UGH shall appoint a Medical and Dental Staff composed of physicians and dentists who are graduates of recognized medical or dental schools, legally licensed to practice in the State of Louisiana, qualified for membership in the local medical society, and practicing in the community or within a reasonable distance of UGH; shall see that they are organized into a responsible administrative unit and adopt such bylaws, rules and regulations for government of their practice in the Facility as the Board of UGH deems to be the greatest benefit to the care of patients in the Facility, which bylaws, rules and regulations shall be effective only when approved by the Board of UGH.

ARTICLE 12

POSSESSION AND USE OF FACILITY

The District grants to UGH the exclusive right of use of the Facility, for the purpose of operating the Facility exclusively for health care purposes. UGH's exclusive use of the Facility shall include the right of UGH, without the consent and joinder of the District, without limitation, to enter into leases of the Facility for medical or medical-related purposes, to be on such terms and conditions as UGH may deem appropriate.

ARTICLE 13

TAX STATUS OF HOSPITAL

UGH represents upon knowledge, information and belief that (a) it is an organization described in section 501(c) (3) of the Internal Revenue Code of 1954, as amended, (b) it has applied for exemption from federal income taxation under Section 501 (a) of the Internal

Revenue Code of 1954, as amended, and (c) it shall not knowingly perform any act nor enter into any agreements which shall adversely affect such federal income tax status.

ARTICLE 14

MAINTENANCE

14.1 UGH shall maintain, preserve and keep the Facility in good repair, working order and condition and shall from time to time make all necessary and proper repairs. Upon the termination of this Agreement, UGH shall surrender the Facility to the District in as good a condition as when received, ordinary wear and tear accepted.

14.2 UGH shall have the right, from time to time, based upon a determination of need, to make voluntary improvements or alterations to the Premises. Any and all improvements or alterations shall be subject to the following conditions:

a. No improvement or alteration shall at any time be made which shall impair materially the structural soundness of the Premises or diminish the market value of the Premises.

b. No improvement or alteration shall be undertaken until UGH shall have procured and paid for all required municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction over such work.

c. All work done in connection with any improvements or alterations shall be done in a good and workmanlike manner and in compliance with all applicable legal requirements and the requirements of all insurance policies required to be maintained by UGH hereunder and shall be completed free of all mechanic's or material men's liens.

d. Any improvement or alteration to the Premises shall become the property of the District at the termination of this Agreement.

ARTICLE 15

INVENTORY

A complete inventory of all equipment owned by UGH shall be kept during the term of this Agreement and reflect any new acquisitions which are provided by the District and by the deletion of obsolete or discarded items.

ARTICLE 16

DISPOSITION OF EQUIPMENT

All equipment acquired by UGH at its own cost, by gift, or otherwise shall become property of the District when UGH ceases to operate the Facility.

ARTICLE 17

ASSIGNMENT

Except as otherwise provided in Article 12, UGH shall have no right to assign any part of its rights or interest under this Agreement to any party during the term hereof, without first obtaining the written consent of the District.

ARTICLE 18

RELATED ORGANIZATIONS

The obligations undertaken by UGH under this Agreement are strictly its own and shall not under any circumstances be construed to be the obligations of any other entity or officer, trustee, member or employee of any entity. UGH may enter into various contractual arrangements with other persons, firms, corporations or other legal entities necessary for the provision of professional and competent services for such consideration as shall be determined by UGH.

ARTICLE 19

OBJECT AND PURPOSE

The objects and purposes of this Agreement include, without limitation, are the following: (a) to provide for the care of persons suffering illnesses or disabilities which require that patients receive hospital care; (b) to administer activities related to rendering care to the sick and injured or in the promotion of health which may be justified by the facilities, personnel, funds or other requirements available; (c) to promote and conduct scientific research and training related to the care of the sick and injured insofar as such research and training can be conducted in connection with UGH; (d) to participate so far as circumstances may warrant in any activity designed and conducted to promote the general health of the community, including, scientific, literary and educational purposes; and (e) to cooperate with other public and private institutions and agencies engaged in providing hospital and other health services to residents in the community to be served by the Facility.

ARTICLE 20

NON-WAIVER

20. No delay or omission by UGH or Commission to exercise any right or remedy shall impair such right or remedy or shall be construed to be a waiver of any default or any acquiescence therein, and every right and remedy herein conferred or now or hereafter existing at law or in equity or by statute, may be exercised separately or concurrently and in such order and as often as may be deemed expedient by the parties.

ARTICLE 21

NOTICES

21. All notices or other communication required or permitted to be given hereunder or necessary or convenient in connection herewith shall be in writing, and shall be deemed to have been duly given if mailed first class, registered or certified, return receipt requested, postage paid, on the date postage paid, on the date posted, or, if personally delivered, when delivered to the addressee, addressed as follows:

**To the District: President, East Union Parish
Hospital Service District Courthouse
Farmerville, Louisiana 71241**

**To UGH: Administrator, Union General Hospital
901 James Avenue
Farmerville, Louisiana 71241**

and the designated agent for service of process of UGH, whose name and address, as well as his successors, if any, will be furnished in writing to the District.

ARTICLE 22

PATIENTS

UGH shall provide community service and benefits, as well as, provide a reasonable volume of uncompensated services as may be required by applicable state and federal laws, if any.

ARTICLE 23

BINDING AGREEMENT

This Amended and Restated Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

ARTICLE 24

TERMINATION

Either UGH or the District may terminate this Agreement in the event of a default by the other that notice of such default has been given pursuant to Section 21 and not cured within thirty (30) days. In addition, UGH and the District may immediately terminate this Agreement as provided in Section 2.2 above.

ARTICLE 25

DISSOLUTION-DONATION OF ASSETS

During the term of this Agreement, upon dissolution of UGH, pursuant to the laws of this State, and to the extent allowed by the laws of this State, all assets acquired UGH in connection with its operation of the Facility shall belong to the District.

ARTICLE 26

ACCESS TO RECORDS

Pursuant to Section 1861(v) (1)(I) of the Social Security Act, until the expiration of four years after the furnishing of services pursuant to this Agreement, UGH shall make available to District, upon written request from the Secretary of Health and Human Services or the U.S. Comptroller General or any of their duly authorized representatives, this Agreement, books, documents and records of UGH that are necessary to verify the nature and extent of costs incurred by UGH under this Agreement.

ARTICLE 27

EFFECTIVE DATE

This Agreement shall become effective on the _____ day of _____, 2010.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Cooperative Endeavor Agreement in multiple originals on this the _____ day of _____, 2010, in the presence of the undersigned competent witnesses, and me, Notary, after a due reading of the whole.

[SIGNATURE PAGE FOLLOWS]

WITNESSES:

Juanita Sayford

Gene B. Anderson

**EAST UNION PARISH HOSPITAL
SERVICE DISTRICT**

BY: Alice Bailey

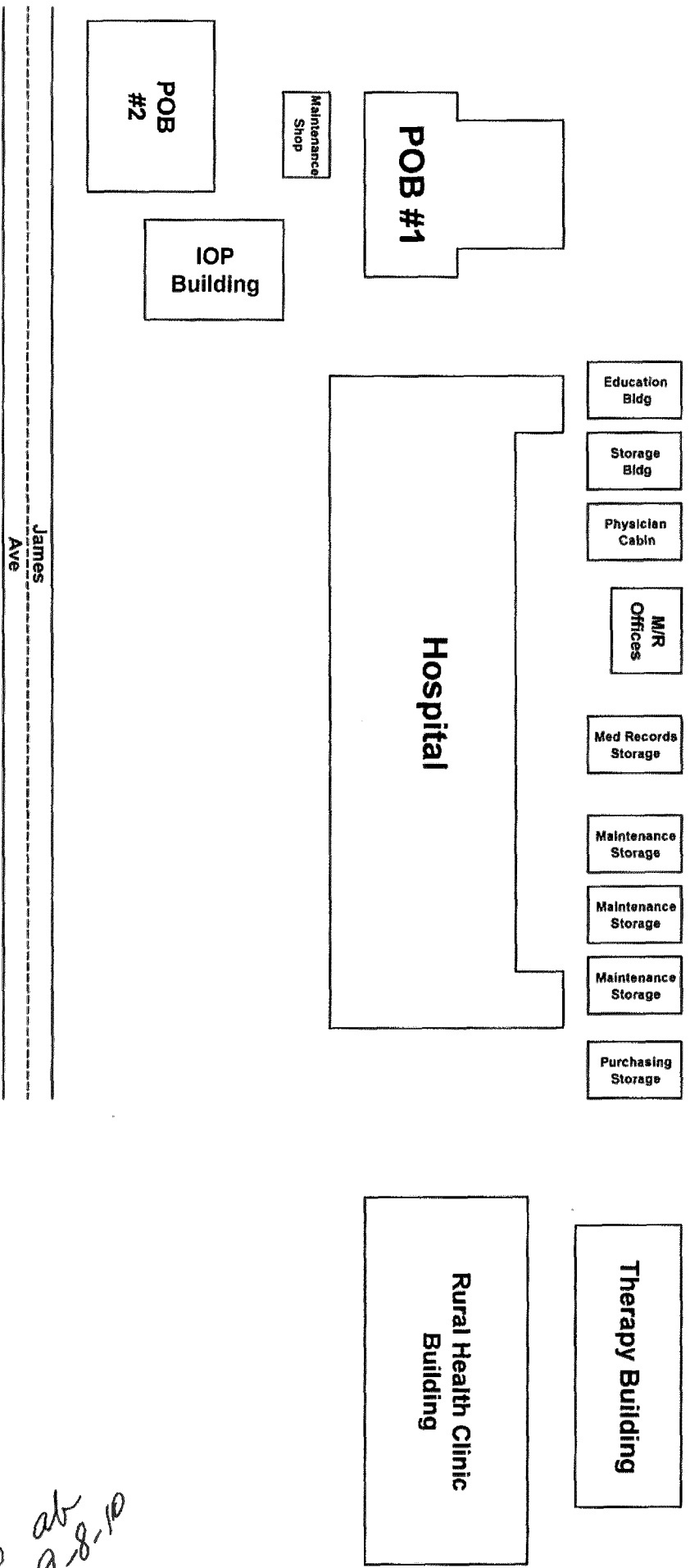
UNION GENERAL HOSPITAL

BY: Evelyn Ormond

Dianne M Davidson

Notary Public
Union Parish, Louisiana

DIANNE M. DAVIDSON
NOTARY PUBLIC # 049255
STATE OF LOUISIANA
UNION PARISH
My Commission Expires At Death



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